AUTOMOTIVEINDUSTRYDIGEST

This week's news for company executives

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This Week's Briefing

Britain's first public hydrogen fuel station opens

Drivers pay 7p a litre extra for fuel, calculates the AA

JLR to build £355m engine plant in the Midlands

Saab breaths sigh of release as its gets bankruptcy protection

MPs promote new ideas to cut congestion cost to business

Price of EV batteries to fall as demand falls short

Kwik-Fit urges fleets to fit winter tyres while stocks last

The Editor's View

THE Government is committed to reviewing its electric vehicle (EV) grant scheme - known as the Plug-in Car Grant - 'early in 2012'. Grants up to a maximum of £5,000 per vehicle are available to offset the up-front cost of purchasing qualifying cars with emissions of 75 g/km or less, including electric, plug-in hybrid and hydrogen-fuelled cars. However, while the Government has initially set aside £43 million in grant aid, it has handed out less than £5m. Even with grant assistance the list price of qualifying cars remains high. Hydrogen cars are currently not on public sale in the UK they are being tested - but that hasn't stopped a consortium, including Honda, from opening the UK's first public access hydrogen vehicle refuelling station. Located at Honda's Swindon plant, it is available to anyone developing or using hydrogen-powered vehicles. Its backers have called on the Government to create a policy framework for tomorrow's low carbon infrastructure. The problem is that with the electric vehicle revolution in the slow lane a switch to hydrogen seems a long way off.

Fleet file

BVRLA to launch online vehicle safety recall system

THE British Vehicle Rental and Leasing Association is partnering with technology company Ebbon-Dacs to provide the fleet industry with a free online vehicle safety recall notification system in 2012.

Although the UK has a good record of handling vehicle safety recalls, according to the BVRLA, fleet owners are facing rising costs in administering and managing the range of paper and digital notifications they receive from motor manufacturers.

'Our members own and operate more than 2.5 million vehicles and finding a cost-effective, easy-to-use solution that the whole industry can adopt has been one of the association's long-term goals,' said BVRLA chief executive John Lewis.

The new recall system is the result of close work between the BVRLA, its members, Ebbon-Dacs, motor manufacturers and the Vehicle and Operator Services Agency (VOSA).

VOSA chief executive Alastair Peoples said: 'Britain has some of the safest roads in the world and the recall system contributes to this. It's really encouraging to see manufacturers and the fleet industry working together to improve the effectiveness of the safety recall process.'

Ebbon-Dacs' web-based system will provide a single location for all manufacturers to list their safety recall notifications. BVRLA members or their appointed agents can retrieve the information by inputting their own fleet data so that it can be compared. A report is then produced, showing all vehicles that are subject to a new recall notification and highlighting those with outstanding recalls.

The new system also has the potential to cover non-safety recalls and customers will have the option to purchase a product for notifying drivers.

It is hoped that fleet owners and motor manufacturers will be able to test the service during its pilot stage in May 2012 and it is expected that it will be widely accessible from August 2012.

New 'erratic' mileage report ensures vehicle maintenance compliance

A NEW report to ensure maintenance compliance for company cars and vans that have dramatically increased or decreased their mileage has been added by CFC Solutions to its fleet management software.

The Vehicle Distance Exception report is an element in the latest update to the company's Fleet Plus and Fleet Horizon products, which are claimed to be in use by more than 1,000 fleets across the UK.

The report monitors the reported mileage for each vehicle over its lifetime on a fleet and, if the mileage falls or rises substantially during a given time period, adjusts the suggested maintenance regime for a vehicle.

Neville Briggs, managing director at CFC, said that the report had been introduced following a suggestion by one of the company's customers where operational demands had seen a large proportion of the fleet's mileage become more erratic.

He said: 'The key advantage of this is that if, for operational purposes, a vehicle covers 5,000 miles in a quarter rather than its normal 2,000, the software will automatically adjust parameters such as the 'service due' notification. This means that the employer continues to meet their maintenance compliance requirements.

'However, there is also the opposite to consider. If a car or van undergoes a reduction in mileage, then the maintenance requirements can be downgraded and unnecessary expenditure avoided.'

Kwik-Fit urges fleets to fit winter tyres while stocks last

FLEET operators are being urged to place winter tyre orders with Kwik-Fit Fleet by the end of September and ensure the tyres are fitted to vehicles during October to guarantee availability.

Following unprecedented corporate sector demand for winter tyres last year, Kwik-Fit Fleet has ordered 200,000 winter tyres this year - four-times more than last year - worth £20 million at retail prices to meet anticipated orders from public and private sector fleets.

Additionally, Kwik-Fit Fleet has established a winter tyre hotline - 0330 1231567 - and email address - fleetcst@kwik-fit.com - through which fleet operators can place their winter tyres order. The tyres will then be ring-fenced for customers on the basis that they are fitted by the end of next month.

Customers should provide details of their tyre requirements together with an order number and Kwik-Fit Fleet's Customer Services Team will, once it has been confirmed that the tyres are available, reserve them on a customer's behalf. In the event that the tyres are not in stock the Team will notify a customer once they arrive.

Kwik-Fit Fleet will then arrange with customers for the appropriate tyres to be delivered to a convenient centre for fitment. As part of the special winter ordering facility customers are obliged to have tyres fitted by the end of October.

As last year, Kwik-Fit Fleet is offering a ‘hotel’ facility that sees it remove, pack, label and store each company car and van’s summer tyres in its National Distribution Centre for £10 per tyre per season. In the spring, the summer tyres will be returned to each customer’s centre of choice for fitment with the winter tyres removed and stored until required again.

Kwik-Fit Fleet sales director Peter Lambert said: ‘Meteorologists are already warning that the first harsh winter weather could arrive next month. As a result, we are recommending that winter tyres should be fitted to vehicles from the end of September or in the first half of October and remain in place until the end of March.’

He continued: ‘Strong demand for winter tyres last year following consecutive harsh winters meant supplies ran out. Due to strong global demand stocks could not be replenished.

‘In readiness for this winter, many fleet operators placed their orders months ago which enabled Kwik-Fit Fleet to more easily predict demand and place orders with suppliers.

‘However, while some organisations were quick off the mark in ordering winter tyres, others have still to make a final decision. We would urge them to place their orders before the end of September to ensure availability.

‘If fleets are unable to place orders before the end of September Kwik-Fit Fleet will, as always, do its best to meet demand by sourcing winter tyres as quickly as possible.’

60% of firms have open age policy on grey fleet vehicles

MORE than 60% of businesses are potentially exposing themselves to an unnecessary level of risk associated with private vehicles being used for business purposes, according to a survey of UK financial directors.

The ALD Automotive/YouGov poll reveals that almost two thirds of fleets (63%) have no policy on the age restriction of private vehicles being driven on business - the so-called grey fleet - and no minimum safety specification either, thereby increasing the liability associated with occupational road risk compared with newer company owned cars.

There are an estimated five million employees using their own cars on business and with corporate manslaughter legislation now firmly established, companies are being urged to review their HR and fleet policies, despite cost control remaining the biggest challenge facing UK business, says ALD.

The leasing and fleet management company works with businesses to help manage grey fleet vehicles via its award-winning service, CARRS - car allowance road risk solution.

ALD Automotive managing director Keith Allen said: ‘This survey shows that, despite the high profile given to corporate manslaughter legislation the grey fleet is still a big issue in the UK. Formal guidelines need to be incorporated into fleet policy whether business journeys are carried out in a company owned vehicle or a private vehicle.’

Run Your Cars cuts vehicle costs for SMEs with big fleet discounts

COST reduction is the number one issue facing businesses in a challenging economic climate and a recently launched organisation is promising to slash fleet operating costs by hundreds of pounds.

Run Your Cars' buying power means that it is able to deliver financial savings normally only available to major fleets to small and medium enterprises (SMEs).

For £5 (+VAT) per vehicle per month, Run Your Cars' membership includes RAC breakdown and accident management services and access to a range of other fleet benefits at discounted rates from leading suppliers including: accident management and crash repair through Nationwide Crash Repair Centres, tyre repair and replacement via Kwik-Fit Fleet, car rental through Enterprise Rent a Car, windscreen replacement and vehicle servicing through a network of 6,000 franchise and independent garages.

Further services, including risk management, are available at a small additional cost, while access to a range of vehicle funding options is also available.

The monthly fee also enables customers to manage their fleet using Run Your Cars' own online fleet management system.

Savings obtainable to businesses by using Run Your Cars include more than £465 a year - almost £1,400 on a typical three-year/60,000-mile fleet replacement cycle - on an Audi A4 2.0 TDi SE; almost £250 a year or more than £740 over a similar operating cycle on a Vauxhall Astra 1.9 TDi; and more than £260 a year or almost £800 over a three-year operating cycle on a Ford Transit 2.2 TDCi 140ps.

The savings are based on a typical fleet vehicle requiring one service per year, two tyres and one third of a windscreen (on average a fleet vehicle will require a new windscreen every three years). The comparison is based on a like-for-like service at the same franchise dealer, Pirelli tyres from Kwik Fit, breakdown cover from the AA and windscreens sourced from Nationwide Motor Glass.

Steve Whitmarsh, managing director of Run Your Cars, said: 'All organisations are looking to eliminate cost from their business. Run Your Cars not only saves fleets money but eases the fleet administration burden through monthly consolidated invoicing and access to comprehensive online management reporting.

'The whole process enables SMEs to take a big fleet approach to their own vehicle operation. Add the savings per vehicle up across an entire 10, 20 or 30-vehicle company car or van fleet over a three or four-year replacement cycle and they run into thousands of pounds and comfortably allow businesses to recoup the monthly fee.

'Given the tough economic climate and experts predicting no let up in the tight trading conditions for the foreseeable future and no businesses can afford to ignore the financial savings available from Run Yours Cars.'
www.runyourcars.com

Fleet drivers must be insulated from 'mobile office' distractions

COMPANY car and van drivers need to be protected by their employers from the distractions of mobile office technology while they are behind the wheel, according to CFC Solutions.

The fleet software specialist says that developments such as the on-the-move text function included in the latest Toyota Yaris have enormous potential to distract drivers who should be paying attention to the road

Neville Briggs, managing director, said that such new technology needed to be very carefully controlled and that it was down to employers to put protective measures in place as part of their risk management policies.

He explained: 'A lot of impressive new technology - from smart phones to mobile internet access - has become available to company car and van drivers over the last few years and created a genuine mobile office environment that has increased their productivity and flexibility considerably.

‘However, there needs to be a clear directive spelled out in risk management policies that says these devices should not be used on the move. It is simply too dangerous, however carefully manufacturers and others work on integration with a car’s own systems. They will always be a distraction.

‘Virtually all fleets have taken a hard line on mobile phone use while driving, with many banning it even if a proper hands free kit is fitted, and other devices such as in-car mobile texting should be similarly controlled.’

GE could buy 1,000 PSA EVs with new agreement

PSA Peugeot Citroën and GE have signed a European commercial cooperation agreement for the co-development of innovative electric vehicle solutions that could see the fleet giant buy 1,000 models from the French company.

Under the terms of the agreement the two companies say they plan to develop a new electric vehicle mobility offer in Europe that will enable B2B customers to fully integrate electric vehicles in their fleets and operate them with state of the art solutions.

Both companies intend to cooperate in the creation of an EV Customer Experience Centre in France that will promote the implementation of projects to demonstrate the economic, commercial and technological challenges at stake.

GE Energy’s Industrial Solutions will supply and deploy the infrastructure products needed to make the projects possible, in particular charging stations and installer network. Moreover, both groups will collaborate towards deploying a joint commercial offer for PSA Peugeot Citroën customers that would include an electric vehicle and the relative charging infrastructure.

As a sign of its engagement in the electric vehicle sector, GE has shown interest in buying from PSA Peugeot Citroën up to 1,000 models by the end of 2015 for all of Europe.

Philips’ salary sacrifice scheme takes first orders

EMPLOYEES at Philips UK, have started to take delivery of their vehicles ordered under a salary sacrifice car scheme through Zenith’s Salary Exchange.

The scheme compliments Philips’ existing employee benefits package and is available to all permanent UK employees, who can opt into the scheme at any time. To date there have been more than 1,500 requests for quotes.

The vehicles in the scheme are restricted to emission levels of a maximum of 145 g/km, which helps to maximise the savings to drivers.

Nicolas Bedard, fleet manager for Philips UK, said: ‘We were looking for a flexible provider who offered a bespoke solution. It was also important to us to centre the salary sacrifice car scheme around an online platform that was easy to use, with a comprehensive breakdown of the calculation and which matched our motto of ‘sense and simplicity’. Zenith met all of our criteria and was able to provide an exceptional employee benefit to our workforce.’

IAM Drive & Survive launches Virtual Risk Manager for fleet clients

THE commercial training arm of the IAM, IAM Drive & Survive, is now offering fleet managers and commercial drivers a new and improved online product - ‘Virtual Risk Manager’ (VRM).

It is a research-based online risk assessment, monitoring and improvement tool designed by Interactive Driving Systems (IDS) to enable companies to monitor every aspect of their driver’s safety and wellbeing.

Its creators say it ensures that all reasonable steps are being taken to support employers' duty of care and health and safety obligations for business drivers, with a focus on early intervention.

IAM Drive & Survive chief executive Simon Best said: 'VRM is especially designed to help fleet managers improve safety and reduce costs. With VRM, IAM Drive & Survive provides fleets with assessment and training that are completely tailored to the company's needs. It is an excellent low-cost tool that checks the driving risk of new employees and meets the training needs of existing staff.'

Typically, long term research indicates that VRM can provide savings of between 20 and 60% over three years by reducing incidents and collisions, leading to a reduction in insurance claims and staff compensation costs.

With as many as one in three road collisions involving work-related driving, more if commuting is included, driving for work is risky and expensive for both employees and employers, says the company.

Andy Cuerden, European managing director at IDS, said: 'We are delighted to have maintained a close working relationship with the IAM for over 15 years, supporting a range of joint customers over the years including British Telecommunications (BT), E.ON, Siemens, Jacobs, Atkins, Faithful and Gould, Robert Bosch, Mitsubishi and Cannon UK. This launch of VRM signifies a very important step in our on-going journey to support clients in the development of the best possible driver safety programmes.'

Avis Budget pull out of race for Dollar Thrifty

AVIS Budget Group has dropped its $1.5 billion bid to acquire Dollar Thrifty Automotive Group, citing current market conditions.

In September last year, Avis announced a cash-and-share offer for Dollar Thrifty. Subsequently, rental rival Hertz made a cash-and-share bid valuing Dollar Thrifty at around $1.9bn.

In late August, Dollar Thrifty said it would solicit and accept the best offer, and later asked for a final definitive proposal by October 10.

However, now Avis Budget has issued a statement saying that despite making 'significant progress toward obtaining US regulatory clearance' for the acquisition and 'we believe that such regulatory clearance could be obtained' it had 'decided not to pursue a transaction at this time in light of current market conditions'.

With Avis backing out, Hertz is left as the sole bidder for Dollar Thrifty.

New Renaults delivered to south west contractor

FOURTEEN new Renault cars and vans have taken to the road with south west firm County Contractors.

The Weston-super-Mare-based company, which runs a 70-strong vehicle fleet, has acquired 14 new models as part of the first phase of a replacement programme for the remaining 30 commercial vehicles over the next 18 months.

County Contractors undertake the refurbishment of commercial businesses, specialising in leisure and hotels, retail and local authority

The company has taken delivery of nine Master Vans, three Kangoo Vans and two Kangoo cars from S J Cook & Sons on Locking Road, Weston-super-Mare with an all new County Contractors' livery.

Kevin Lee, director at County Contractors, said: 'Our decision to go for Renaults was based on the excellent value for money, high level of standard specification including Bluetooth and satellite navigation that we hope will prove invaluable to our employees who travel the length and breadth of the country. Combine this with the technical advances made by Renault resulting in good fuel economy and lower road tax due to the Euro5 status achieved by the Master van, made our choice of manufacturer a relatively simple decision.'

Model update

Toyota gears up for 2012 Prius Plug-in Hybrid launch

TOYOTA'S new Prius Plug-in Hybrid will cost less than £31,000 when sales start in the first half of 2012.

The headline price does not take into account Government funding through the Ultra-Low Carbon Vehicle Plug-in Grant scheme that could reduce the price to customers by up to £5,000.

The pricing, says Toyota, is competitive compared to the latest electric vehicle models on the market, but argues that the Prius Plug-in Hybrid offers more flexible performance, thanks to its powertrain which combines an electric motor, a lithium-ion battery and a petrol engine.

The power combination will allow drivers to cover more than 14 miles in electric vehicle mode, using power from its hybrid battery, after which the vehicle will switch to power from its full hybrid system, including the 1.8 litre VVT-i petrol engine.

That means the driver need suffer no 'range anxiety' about the distance the car can cover, says Toyota.

The lithium-ion battery can be recharged by connecting to a workplace or domestic electricity supply, or a roadside charging point. A full recharge takes 90 minutes.

Prior to official homologation, Toyota predicts the Prius Plug-in Hybrid will emit 49 g/km of carbon dioxide and achieve 134.5 mpg combined cycle fuel economy.

Ewan Shepherd, general manager Toyota/Lexus Fleet Services, said: 'Prius Plug-in Hybrid will be an exciting and valuable addition to what is already an industry-leading Toyota range that delivers significant financial benefits to companies and company car drivers with advanced and highly efficient models such as Prius and the British-built Auris Hybrid.'

Nissan moves to speed up EV charging infrastructure

NISSAN has teamed up with leading European utility and electrical vehicle supply equipment companies to speed development of cheaper, smaller, quick chargers for electric vehicle batteries, and accelerate the installation of publicly-available Quick Charge (QC) points across Europe.

The agreement between Nissan, Circutor, DBT, Efacec, Endesa and Siemens is expected to result in a dramatic reduction in the price of the units - by over half to under €10,000 - paving the way for businesses such as service stations, car park operators and retail outlets to install quick chargers and run them profitably as a commercial enterprise.

This, says the manufacturer, will mean Nissan Leaf drivers, and other quick charge enabled vehicles, could use their car for longer journeys and recharge the car's battery to 80% capacity in less than 30 minutes.

As a result, it is expected that there will now be thousands of QCs across Europe by the end of 2012, and tens of thousands by 2015.

Such an infrastructure will, says Nissan, open up Leaf ownership to a whole new spectrum of buyers who occasionally need to do longer journeys.

The Leaf has a range between charges of up to 109 miles as tested over the New European Driving Cycle (NEDC). Increased opportunities for quick charging will mean that a quick power boost will give Leaf customers greater driving opportunities.

'We are confident that the Leaf's range will be enough to satisfy most drivers' daily needs. However, with a significant number of QCs available across Europe, electric vehicle owners who need to drive longer distances will be able to do so with confidence, knowing they will be able to recharge no matter where they go, which we believe is essential for the mass adoption of electric vehicles,' said Toshiyuki Shiga Nissan's chief operating officer.

The challenge to build cheaper and smaller quick chargers will be met by combining the Nissan QC technology unveiled in the new Nissan DC quick charger, together with the regional strength of European partners' know-how.

Volkswagen Jetta wins Towcar of the Year title

THE Volkswagen Jetta Sport 2.0TDI DSG has been named The Caravan Club Towcar of the Year 2012.

The model took the top honour in its price class (under £25,000) and went on to be voted overall winner of the 29th Caravan Club Towcar of the Year Competition.

It was judged the winner by a panel of 11 judges who applauded its suave design, its practicality as a caravanning family car and its great performance when towing in a variety of situations.

Class wins in the competition also went to the Škoda Superb Estate Elegance 2.0 DSG (£25,000-£32,000 price category); the Volkswagen Touareg Escape 3.0 V6 TDI (over £32,000 and all-wheel drive vehicles over 1800kg categories) and the Volvo V60 D5 AWD Volvo Ocean Race (all-wheel drive vehicles under 1800kg).

Manufacturer news

Jaguar Land Rover to build £355m engine plant in the Midlands

JAGUAR Land Rover is to build a £355 million state-of-the-art advanced engine factory near Wolverhampton.

The new facility will manufacture a family of all-new advanced technology low emission four-cylinder Jaguar and Land Rover petrol and diesel engines.

The investment announcement was marked by a visit to the company's Solihull vehicle production plant by Deputy Prime Minister Nick Clegg and Business Secretary Vince Cable on Monday (September 19).

The new advanced engine facility will be built at i54 South Staffordshire, a business park near Wolverhampton.

Jaguar Land Rover's engines are currently sourced from Ford, which sold the company to Indian Group Tata Motors in 2008.

Jaguar Land Rover chief executive Dr Ralf Speth said: 'As part of our long-term strategy for the Jaguar Land Rover business, we will design, engineer and manufacture a new family of advanced engines. This is a major commitment for our company and we will produce these advanced, highly-efficient engines for future Jaguar and Land Rover models.

‘As we invest £1.5 billion a year for the next five years on new product developments, expanding our engine range will help us realise the full global potential of the Jaguar and Land Rover brands. The all-new family of four-cylinder engines will increase Jaguar Land Rover’s capability to offer high performance engines with class-leading levels of refinement, whilst ensuring continued significant reductions in vehicle emissions.’

The engine manufacturing facility is expected to create up to 750 highly-skilled engineering and manufacturing posts, along with thousands more manufacturing jobs in the supply chain and the wider UK economy.

The latest news comes as Jaguar Land Rover continues to benefit from what it says is its strongest ever product line-up, further strengthened recently by the launch of the Range Rover Evoque, the new Jaguar XF with a four-cylinder turbodiesel engine and enhancements to the XK range, Land Rover Discovery, Defender and Range Rover.

Jaguar Land Rover currently employs more than 19,000 people directly in the UK and supports up to 140,000 jobs in total through the supply chain, dealer network and wider economy.

The Government is supporting Jaguar Land Rover’s project through the ‘Grant for Business Investment’ scheme which is providing up to £10 million.

Clegg said: ‘Growing our economy has to be the number one priority for Britain, and the Government is not sitting on its hands. With initiatives like the Regional Growth Fund, putting up to £10 million into this new plant and Enterprise Zones boosting growth across the country, we’re making the UK a better place to invest and do business.’

Cable added: ‘JLR choosing Wolverhampton for its new engine plant in the face of tough international competition is a tremendous boost for manufacturing in the UK and the West Midlands in particular.

‘This announcement sends out strong signals to potential inward investors across the world and is a huge vote of confidence in our successful automotive sector in the UK and the skills and expertise in our workforce.’

Jaguar Land Rover made its announcement as Paul Everitt, chief executive of the Society of Motor Manufacturers and Traders, said: ‘Automotive manufacturing can drive UK economic recovery, enhance global competitiveness and lead the transition to a low carbon future if targeted incentives are in place to encourage private sector investment.’

The SMMT is taking its message to the party conference season, which began this week with the Liberal Democrats.

The SMMT is seeking cross-party support for measures to help unlock private sector investment into research and development, specialist skills training and new plant and machinery.

‘It is not a question of if investment in the global automotive industry will take place, but when and where it will happen,’ said Everitt. ‘The competition for high value investment is intense and it is essential the UK does all it can to win its share.

‘The industry has demonstrated great strength and resilience and this has been rewarded by new commitments to UK facilities from global vehicle manufacturers. There are now real opportunities to strengthen the UK supply base and bring new investment into fast emerging ultra-low carbon technologies.

‘Targeted tax incentives and support programmes can help trigger the private sector investment needed to kick start growth.’

At the meeting with Liberal Democrats, the SMMT presented a paper detailing the motor industry's stance on the transition to a low carbon economy. The paper can be read at http://www.smmt.co.uk/wp-content/uploads/Driving-a-low-carbon-economy-automotive-September-2011.pdf.

Saab breaths sigh of release as its gets bankruptcy protection

SAAB continues to fight for its life and is now to set about reorganisation after staving off bankruptcy.

Swedish Automobile N.V. (SWAN), parent company of Saab Automobile AB and its subsidiaries Saab Automobile Powertrain AB and Saab Automobile Tools AB, won court approval for the reorganisation yesterday (Wednesday, September 21).

The companies were given approval for their voluntary reorganisation plans by the Court of Appeal in Gothenburg, Sweden. The verdict came after Saab won the right to appeal against a lower court's decision denying it protection from creditors.

Earlier this month *(Digest: September 7)*, Saab's proposal for voluntary reorganisation was rejected by the courts.

However, 24 hours after the right to appeal was granted on Monday (September 19), a union representing around 1,500 workers at Saab applied to a court for the company to be declared bankrupt, as it looked to secure wages for workers who went unpaid in August.

IF Metall handed in the bankruptcy application to the court thus joining two white-collar unions at Saab that have already made the same move. As a consequence of the Court of Appeal ruling, Saab Automobile is to request for the bankruptcy filings by unions IF Metall, Unionen and Ledarna to be cancelled.

It has been reported that Saab owes its roughly 3,600 workers wages from last month. Saab, which has only produced a handful of cars since April, also owes suppliers around €150 million.

The purpose of the voluntary reorganisation process is to secure short-term stability while simultaneously attracting additional funding.

The Swedish Company Reorganisation Act says that an application shall not be approved unless there is reasonable cause to assume that the purpose of the reorganisation will be achieved.

In a statement following the court verdict Saab said that it had launched an efficiency improvement initiative as part of a broader review of the company's business plan for 2012 and beyond, aiming at creating a more flexible and more competitive cost structure for the company.

The initiative, it said, also reflected the effects of the prolonged production stoppage since April and was an important element of the voluntary reorganisation plan that would be presented at a forthcoming creditors meeting.

During the coming weeks, Saab Automobile will identify areas throughout the whole organisation where efficiencies can be gained.

The initiative will focus on both fixed and variable costs and aims to create a lower and more flexible cost structure within Saab Automobile by eliminating duplication of work, streamlining processes, shortening lead times, improving coordination between departments and simplifying the organisational structure.

As a result of the measures Saab said that job losses could not be ruled out. The company said that it hoped to implement all improvements before year-end in order for Saab Automobile to have a new, competitive cost structure for the 2012 financial year.

Price of EV batteries to fall as demand falls short

THE total worldwide manufacturing capacity of lithium-ion batteries for electric vehicles will greatly exceed supply unless demand by motor manufacturers increases significantly in the short-term, according to new research by Bloomberg New Energy Finance.

As a result of the overcapacity, lithium-ion battery prices are poised to fall as makers have made ambitious investments in new capacity, well ahead of automakers' commitments to large-scale production of electric vehicles

Manufacturers have committed to producing up to 839,000 plug-in electric vehicles worldwide by 2013, up from just 124,000 to be delivered by the end of 2011.

As a result, demand for lithium-ion batteries will increase sevenfold increase in just two years. In contrast, the supply capacity under construction by battery makers will be double expected demand by 2013.

As batteries have a limited shelf life, it is unlikely that battery manufacturers will produce more than market demand. Instead, they will reduce output to match contracted demand.

At the moment, electric vehicle batteries cost between $800-1000/kWh and make up about 30-50% of the cost of a typical electric vehicle.

But the short-term overcapacity and the competitiveness in the field will push battery prices lower, improving affordability of electric vehicles - but also making life increasingly difficult for smaller pure-play electric vehicle battery manufacturers, according to Ali Izadi-Najafabadi, an energy-smart technologies analyst at Bloomberg New Energy Finance.

Automakers with committed electric vehicle plans have secured sufficient supply for their programmes through close collaboration with five lithium-ion battery manufacturers via commercial-scale supply contracts or joint ventures.

However, there are currently over 20 battery makers with plants constructed or under construction, and it will take time for the excess capacity to be absorbed, says Bloomberg New Energy Finance.

In the long term, lithium-ion battery prices will continue to decline as the industry reaches scale. Electric vehicle sales are expected to increase and battery costs will continue to decline along an experience curve to hit around $350/kWh by 2020, says the report.

Speculation mounts over hostile Volkswagen bid for Suzuki

RUMOURS are circulating that the Volkswagen Group may make a hostile bid for Suzuki Motor.

Volkswagen is currently trying to extract itself from a partnership with the Japanese manufacturer *(Digest: September 15)*.

Under the terms of the partnership Volkswagen has a 19.9% stake in Suzuki. Speculation over a bid has been fuelled by shares in Suzuki Motor rising, which has been in marked contrast with the overall mood of the Japanese market, according to *The Times (September 21)*.

Additionally, German media reports quoted Volkswagen executives as saying that they were 'open to the idea; of making a tender offer for the 80.1% of Suzuki Motor the company does not own.

Mondial Assistance renews BMW partnership

MONDIAL Assistance UK will continue to build on its relationship with BMW, as it has signed a new three-year contract to continue providing the BMW/Mini Insured Warranty programme.

The warranty deal builds on a relationship spanning over 30 years, as Mondial Assistance continues to work closely with BMW to develop further service enhancements.

Lee Taylor, automotive director of Mondial Assistance UK, said: 'Over the next three years we will be looking at providing new features such as email solicitation, improved customers journeys and plans to deploy social media connectivity to further enhance the BMW/Mini ownership experience.'

Light commercial vehicles

Northgate's fleet size shrinks in tough economic climate

IMPROVEMENTS in asset management coupled with fewer vehicles on hire led to a reduction in Northgate Vehicle Hire's fleet size of 4,700 in the last almost five months to 56,500.

In an interim management statement, the UK's largest vehicle hire company said that despite tough economic conditions affecting the UK and its Spanish market, it continued to trade in line with expectations.

The statement added: 'We are maintaining our focus on increasing the group's return on capital employed through hire rate improvement and increased operating efficiency. We continue to reduce our net debt.'

Vehicle utilisation in the four months to August 31 averaged 90%, with last month averaging 91%, a steady improvement from 89% in April. Meanwhile, underlying hire revenue per rented vehicle continues to improve, with an increase of over 1% since the beginning of the financial year.

Vehicles on hire have fallen from 53,800 at April 30 to 51,400 at the end of August, a fall of 2,400 units, in line with the fall noted in the four months to August 2010.

To achieve the improvement in utilisation, vehicles sold in the four months to August were 2,700 higher than the number sold in the four months to August 31, 2010. Despite the increased volume of disposals the residual values per vehicle remained at a similar level to the previous financial year.

In Spain, utilisation rates averaged over 91% in the four months to August 31, a 1% improvement on the same period last year. The fleet size of 43,500 at August 31 has remained at the same level as at April 30 despite an increase in vehicles on hire, which reflected the improvement in utilisation achieved.

Underlying hire revenue per vehicle remained constant for the four months to August 31.

Vehicles on hire have increased from 39,400 at April 30 to 39,800 at the end of August, an increase of 400 units compared to a fall of 1,100 in the four months to August 2010.

The Spanish used vehicle market remained stable with residual values per vehicle at a similar level to the second half of the previous financial year, concluded the company.

Bunzl deploys GreenRoad in commercial vehicle fleet

BUNZL Catering Supplies is rolling out the GreenRoad driving performance and safety management service across its fleet of more than 120 vehicles from vans to articulated HGVs.

The initiative, says the company, will ensure the continued safety of its drivers, cut insurance claims, reduce vehicle damage and cut fuel and carbon emissions.

With its traffic light LEDs on the dashboard, GreenRoad is providing Bunzl Catering Supplies' drivers with real-time coaching on their abilities, manoeuvres and patterns while also providing further analysis to drivers and fleet managers online.

GreenRoad's instant feedback is claimed to transform driving culture with the best drivers at a typical GreenRoad customer seeing up to a 10% reduction in fuel-consumption and emissions as well as a 50% reduction in collision costs.

Max Harris, operations director, Bunzl Catering Supplies, said: 'We have always focused on building a strong safety culture at Bunzl Catering Supplies but had no way of understanding driver behaviour to prevent incidents. GreenRoad's solution now enables us to focus on particular drivers and routes, allowing us to coach drivers on their driving technique and score them against colleagues. The amount of improvement that can be achieved by using GreenRoad is impressive.

'As well as being safer on the roads, we are seeing additional benefits from the increased visibility into risk, increased professionalism from our drivers, and even reduced stress levels as drivers adopt a heightened awareness of driving.'

GreenRoad partnered with Marsh, the world's leading insurance broker and risk adviser, to support its client, Bunzl Catering Supplies. Marsh now gains new intelligence about risk and safety levels leading to more effective risk management strategies and tailored insurance offerings that reflect the reduced risk at Bunzl Catering Supplies.

As other Bunzl businesses share best practices, a number of Bunzl divisions are now evaluating GreenRoad's service.

Northgate introduces new fleet services for councils

NORTHGATE Vehicle Hire has introduced a new range of wheelchair accessible buses to its fleet, to help councils avoid the spiralling maintenance and service costs of long-term leases.

With public sector organisations currently being scrutinised on their allocation of funding, one large area of concern is the cost-effective provision of community transport, says Northgate.

Northgate says that with most councils owning their own wheelchair accessible bus fleet or having funding through banks and finance houses in the form of operating leases, arrangements often mean the lifetime of vehicles can be up to 12 years.

That, says the company, poses the problem of spiralling maintenance costs and increasing down time, which has a negative impact on front line services. In some of the worst cases, vehicles still tied to operating leases are being taken off the road because of costs and the excessive termination penalties imposed by the finance providers, it claims.

As a means of overcoming the challenges of providing the community with quality fleet services, Northgate says its extensive fleet network is able to provide local communities with a top of the range service.

The new fleet of wheelchair accessible buses offers a cost-effective and service efficient means of assisting some of the most disadvantaged sections of the community, says Northgate. The fleet itself is brand new and boasts Euro5 engines, 3.8 tonne or 5 tonne derivatives, automatic transmissions and completely flexible seating layouts and wheelchair fixtures.

Nick Cash, head of Northgate Public Sector, said: ‘We hope that the introduction of the wheelchair accessible vehicles will directly benefit local communities. In difficult economic times, we think our fleet can offer the service that the community deserves.’

Mercedes-Benz Sprinters turn up the heat for Vaillant

ENGINEERS working for one of Europe’s leading heating technology manufacturers are using new, low-emission Mercedes-Benz vans to visit the homes of customers nationwide and service their boilers.

Vaillant Group UK, which has a production facility in Belper, Derbyshire, has acquired 11 Euro5 Sprinter 313CDIs from Derby dealer Mertrux. Racked out by Edstrom, of Corby, the short-length vans serve as mobile workshops.

The latest, 313CDI model is 15% more fuel efficient than the 311CDI it replaced. That equates to an extra 4.5 mpg, while emissions are down by 13%.

Vaillant’s order represents an important breakthrough and a major opportunity for Mercedes-Benz - the vast majority of the operator’s 235 vans were supplied by another manufacturer but following enthusiastic driver feedback further orders for vehicles bearing the three-pointed-star could now follow.

Heather Gaunt, fleet administrator at Vaillant, said: ‘We strive always to provide staff with the best working environment. Our drivers spend a lot of their time on the road and their response to these Mercedes-Benz vehicles has been very positive - they clearly appreciate the comfort and easy driveability of their new Sprinters, not to mention the kudos that comes with the brand.

‘Conveying the right impression, not only to our customers but also to the general public who see our vehicles out and about, is vital.’

Residual value update

VRA launches new remarketing training courses

THE Vehicle Remarketing Association (VRA) has launched the first of its new remarketing training courses.

It is the first step in the VRA’s strategy of developing the skills of those already involved in remarketing and attracting new talent to this important sector of the motor industry.

‘An Introduction to Remarketing’ is relevant to junior to middle management levels and will also be highly useful for other management colleagues new to remarketing, says the organisation.

The full day course will cover the used vehicle life cycle, the supply chain, remarketing channel options, seller and buyer dynamics, the role of the price guides and a brief look at current and future remarketing technologies.

The first phase has just been announced for October and November, offering five courses throughout the UK with a maximum of 14 attendees per course. The cost for VRA member’s staff is £199 (plus VAT) per course, with non-members also able to attend for £249, which includes all course material, refreshments and lunch.

Course dates and location are: October 6, Coventry; October 19, Bristol; October 20, High Wycombe; November 2, Sale; November 3, Livingstone.

John Davies, VRA chairman, said: 'We announced our intention to develop these important courses at our January conference and I am really pleased we have achieved our aim of launching them in the last quarter of 2011. The course content, even at the introductory level, is very comprehensive and has been designed by the remarketing industry for the remarketing industry, so we are expecting a very high take-up.

'This type of training is the first of its kind in Europe and we believe will play a very important role in ensuring the remarketing industry achieves the high standards of professionalism that we all aspire to.'

The VRA has also announced that it is currently developing a two-day remarketing course, aimed at middle to senior management, which will be ready for launch in early 2012.

To book a place on the introductory course, email training@vehicle-remarketing.co.uk giving names, choice of location/s and a billing address. More information and the full course content are available on the training tab of the www.vehicle-remarketing.co.uk website.

Politics and regulation

MPs promote new ideas to cut cost of traffic congestion to business

TRAFFIC congestion costs businesses and the UK economy billions of pounds a year and now MPs have come up with a series of ideas to improve journey times without road building or road pricing.

Those ideas, which include a tougher driving test, greater use of real-time information systems and better co-ordination between road management authorities, all offer affordable methods by which to curb road congestion, says the House of Commons Transport Committee.

They are contained in a new report - *'Out of the Jam: Reducing Congestion on our Roads'* - which is the result of an inquiry undertaken by the Transport Committee that examined options for curbing congestion without road building or road pricing, which has been ruled out by the coalition Government.

Experts have estimated that a 5% reduction in travel time for all business travel on the roads could generate around £2.5 billion of cost savings, for example relating to missed appointments and delayed delivery times.

Meanwhile, the Department for Transport told the committee that it estimated that the cost of congestion to business was set to rise by £10-12 billion over the period from 2003 to 2025 (expressed in 2002 prices). Adding in the value of the lost time experienced by other travellers raises that figure to £23-24 billion per annum.

Committee chair Louise Ellman said: 'Congestion costs the economy billions of pounds each year. Improving the way we manage road space so that the network runs more smoothly is vital to the prosperity of the nation. Pursuing this challenge should form a key plank of central government transport policy.

'The Department for Transport cannot simply devolve all responsibility for managing the road network to individual Highway Authorities. These organisations have a key role and duty for managing their local networks, but the Department should actively support them in working together closely to fulfill that duty.

‘More must be done to improve driver behaviour and road safety through better understanding of and adherence to the Highway Code.

‘Ministers must also clarify who is responsible for warning road users about impending congestion and work with the transport industry and authorities to increase the availability of such information to drivers through greater use of existing, successful ‘intelligent traffic management’ systems across local authority boundaries.

‘Much more can also be done to improve co-ordination between highway authorities and organisations undertaking street works to ensure local authorities use the best available technology to co-ordinate their road or traffic management activities with other highways authorities.’

Transport Committee recommendations to government about how it could curb congestion and get more out of the existing road network include:

- Making the driving test more rigorous to ensure that young drivers are better trained and safer.
- Consider options for a free Highway Code ‘App’, and other ways in which new communication media could be utilised to disseminate the Highway Code
- Send a clear leaflet to all drivers, when they apply for or renew a tax disk or a driving licence - to highlight recent changes to the Highway Code and existing sources of detailed travel information. The leaflet could also remind drivers to use the ‘traffic programme’ (TP) button - available in 80% of vehicles but used by less than 25 % of drivers - to keep track of accurate, up-to-date travel information.
- Monitor cost and safety issues of the ‘managed motorway’ scheme, especially on road stretches where junctions are so widely spaced the use of the hard shoulder by motorists could prevent emergency vehicles from reaching accidents.
- Publish early next year a detailed assessment of traffic flow on the M4 in the year since the bus lane was scrapped. The Committee also call for the lane to be reinstated if that evidence shows the bus lane contributed to faster traffic movement.
- Commission an independent evaluation of the London and Kent permitting schemes for highway authority and utility street works; also put in place arrangements to monitor the uptake of other permit schemes and the variations between local authorities’ approaches.
- Monitor the London lane rental scheme where utility companies pay to close road space for street works, and assess its value as a method for tackling congestion caused by these activities.

Abandon the car for journeys of two miles or less, says Minister

HALF of all car journeys are less than five miles in length, and nearly all car journeys to school are less than two miles - trips that lend themselves to cycling or walking, Transport Minister Norman Baker told this week’s Liberal Democrat Party conference.

In a wide-ranging speech, Baker highlighted that an integrated approach to local transport in towns and cities could ease traffic congestion, cut carbon emissions and help business by making urban areas more pleasant places to be.

He is also taking steps to help councils reduce unnecessary form-filling. The measures include:

- A new traffic signs policy to be revealed in Parliament when it returns next month.
- A traffic signs review ending the need for Whitehall approval for special authorisations for a whole range of signs, so councils will, for example, be able to put up No Entry Except Cyclists signs without having to ask Whitehall first.
- Making it easier for councils which want to introduce 20 mph schemes.
  They will, for example, be able to use painted roundels on the road surface rather than lamppost after lamppost of repeater signs.

General motor industry news

Britain's first public hydrogen fuel station opens

THE UK's first open access hydrogen vehicle refuelling station has been officially opened at Honda's manufacturing plant in Swindon.

Built and operated by industrial gases company BOC, a member of The Linde Group, the venture is the result of a partnership between Honda, BOC and economic development company Forward Swindon.

The new station is open to anyone developing or using hydrogen-powered vehicles. It can fill vehicles at both 350 bar and 700 bar, the two standard filling pressures adopted by the world's major vehicle manufacturers.

The station aims to encourage the development of both hydrogen-powered vehicles - such as the Honda FCX Clarity fuel cell car - and the refuelling infrastructure to support them.

It also creates a strategic link half way along the M4 between London and Swansea. As a fully operational, commercial-scale station using tested technology, it is a solution that can be replicated across the country and so create the essential network necessary for the widespread uptake of hydrogen-powered transport, say its backers.

Among the innovations of the new station is that it can fill vehicles 'back-to-back' from a bank of hydrogen cylinders. This means that vehicles can be filled one after another without having to wait for more hydrogen to be generated.

Another feature is the design: it looks just like a conventional filling station and the time to fill a vehicle is comparable with conventional fuels. The FCX Clarity, for example, takes less than five minutes. For the consumer, then, the experience should be very similar to refuelling at a normal petrol station, says the manufacturer.

Speaking at the opening of the facility, Richard Kemp-Harper, lead technologist for transport and energy at the Technology Strategy Board, said: 'The change from conventional transport systems to sustainable, low carbon alternatives is one that can only be made through businesses and Government working in partnership to develop innovative solutions. This new refuelling station gives a real glimpse of the role hydrogen can play in practice. It is a great example of the kind of collaboration and innovation we need.'

Mike Huggon, managing director of BOC in the UK and Ireland, said: 'Even with private and public support - as we have here in Swindon - we need Government commitment to make this work across the country as a whole. We can provide the tools but the Government has to create the policy framework in which we can build the low carbon infrastructure of tomorrow.'

Thomas Brachmann, head of electrical powertrain R&D at Honda, said: 'Hydrogen fuel cell technology is the ultimate transport solution; meeting environmental demands but also delivering the range and performance that customers expect. The cooperation on this project can be a blueprint for future development.'

Drivers pay 7p a litre extra for fuel

MOTORISTS should be paying 7p a litre less at the pumps but market speculators and the weak pound are preventing a big drop in forecourt prices, according to the AA.

A 3p drop in petrol wholesale petrol prices has been slowly passed on to drivers. However, volatility in the oil markets - a barrel of oil currently costs around $110 - continues to cast doubt as to whether UK pump prices will show a sustained improvement, says the motoring organisation.

Meanwhile, the AA has repeated its call for the Government to intervene and ask questions and introduce some transparency to both the wholesale and retail markets.

The latest UK average price for a litre of unleaded petrol is 135.7p with a litre of diesel costing on average 139.9p.

However, in April when a barrel of crude oil cost $122 the average price of a litre of unleaded was 135.8p with the average price of a litre of diesel standing at 142p,

AA president Edmund King told *The Daily Telegraph* (Friday, September 16): ‘Oil prices don’t even make sense to experts in the market.’

Experts say that the weakness of sterling has added 2p a litre at the pump and if the price of Brent Crude oil had fallen in line with global prices it would be trading at $105 shaving a further 5p a litre off prices.

Motorists fight back over Britain’s ‘third world’ roads

COUNCILS across the UK are paying hundreds of pounds every day to irate motorists who are claiming for vehicle damage caused by potholed roads.

Mail order company Carparts-Direct.co.uk claims £200 is the average compensation for vehicles damaged by potholes. It says that there were 22,000 successful claims last year.

Shoddy road maintenance costs drivers six times more than it costs councils to patch up the roads, claims the company.

At high speed a small pothole can crack a driveshaft, shock absorbers fracture easily and a suspension coil spring can snap like a carrot.

‘Many customers ask for a detailed invoice to claim from their authority,’ said Martin Mosley, of Carparts-Direct. ‘Our steering racks and driveshafts are remanufactured items so the old part is returned to us when the job is done. Some are damaged so badly they are useless. In 25 years I have never known this level of destruction. It is unsafe.’

People on the move

Roe joins Fleet Operations to oversee UK and European expansion

A MAJOR UK and European expansion strategy at fleet management business, Fleet Operations, has moved up another gear with the appointment of experienced fleet professional Mike Roe.

Roe, with 25 years fleet industry experience, has been appointed managing director of Fleet Operations and the organisation’s sister business, EuroFleeting, with responsibility for day-to-day business management and growth.

Meanwhile, company founder and previous managing director Ross Jackson moves to the new position of chief executive and will take a more strategic approach to business expansion both in the UK and across Europe.

The managed multi-supplier business model promoted by the Cheshire-based organisation, which combines centralised management with cost savings, is, claims the company, proving increasingly popular with UK and multi-national businesses as they seek to optimise costs and fleet operating efficiencies.

Jackson said: 'More organisations are turning to our managed multi-bid fleet solutions to optimise fleet operating efficiency. Although many suppliers to the corporate fleet market are excellent, it's not unusual to see suppliers discretely increasing rates throughout the lifetime of a contract to improve their margins and thus their profitability.

'While we commercially understand the reasons behind this, our multi-bid approach creates a dynamic pricing model, coupled with the simplicity of sole supply. While we want to see all suppliers making money, our model limits pricing fluctuations and supports our focus on representing the best interests of our clients, where we manage the supplier base from cradle to grave and within a tightly controlled cost base.

'Fleet Operations and EuroFleeting brings the simplicity of sole supply in terms of a single point of contact through our offices and centralised reporting but vehicles and service solutions are seamlessly delivered through a multitude of client-specific suppliers.'

He added: 'We are aiming for further significant growth both in the UK and on the continent on the back of a number of major national and international contract wins and Mike's knowledge and experience will be key.'

Roe, most recently sales and marketing director at Pendragon Contracts where he secured a number of major business wins in the past 12 months, said: 'As the global economy moves slowly out of the depths of recession companies are looking for new ideas to cut costs and improve efficiencies, both in the UK and on a pan-European basis.

'The Fleet Operations and EuroFleeting business models excite me because of the scalable flexibility - operational efficiency, service excellence and cost management - within one country or many countries.'

Fleet Operations is a founding partner and shareholder in Belgium-based EuroFleeting, which manages more than 60,000 vehicles on behalf of more than 80 customers. EuroFleeting now operates across most major European countries, with further pan-European and global expansion planned over the next 18 months.

Roe, who has a finance background, joined the Pendragon organisation, which is now Britain's largest motor retail group, in 1986 to develop and launch its contract hire operation. He spent 12 years as managing director during which time he saw the fleet grow to 14,000 units.

He then joined rival retail group Reg Vardy to launch and build its vehicle leasing business. Over 10 years as operations director Roe saw the fleet expand to 11,000 units.
Subsequently, Pendragon bought the Reg Vardy organisation and Roe returned to the former's Derby headquarters where he spent the last three years as sales and marketing director of 22,000-vehicle Pendragon Contracts.

Honda appoints general manager for UK car business

HONDA (UK) has appointed Philip Crossman to the position of general manager, cars from the end of October.

Responsible for car sales performance reporting into managing director, Dave Hodgetts, the role strengthens Honda's UK car operation as it prepares to launch the all-new Civic to its UK network next month.

At the same time, Janice Kennedy, Honda's head of cars sales is retiring at the end of October after six years in the post helping to steer the manufacturer's car business through the challenging economic period. She is to return to the Scottish Highlands after commuting to and from London for many years.

Crossman (57) joined Honda in August 2000 as a regional manager and was made head of sales (cars) in February 2002 for the next four years until October 2006 when he took over as head of network development for Honda cars. Following a restructure in April 2010 he took on the role of head of dealer development for cars, motorcycles, lawn and garden, energy, marine and ATV networks.

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